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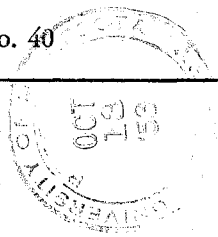

STATES' RIGHTS: A ROADBLOCK

By FRANK CHODOROV

TOTALITARIANISM — of either the Communist or fascist variety — cannot come to this country, not fully, *if* the forty-eight states retain some vestiges of their original autonomy. History supports that thesis.

Long before Hitler achieved dictatorship, Bismarck had liquidated the independence of the German states; Mussolini could not have subjugated the Italian people if Cavour and Garibaldi had not first consolidated the country politically; and the way for Lenin had been prepared by the armies of the Czars. A federation of independent states, so long as they remain independent, does not lend itself to absolutism, not only because of the opposition they offer to the central authority but also because the individual citizen can shift his allegiance from one state to another and thus minimize control over his actions. Divided authority and dictatorship are contradictory concepts.

To be sure, *economic* collectivism can be effected even in a federation. In our own Union the door to economic collectivism was opened in 1913, when the Federal government acquired the authority to appropriate income. Up to that time, the power to levy on earnings resided in the states. A number of the states had exercised this power, but with indifferent success, simply because the citizen could escape heavy levies by moving across a border. Those states that did not tax incomes (or inheritances) advertised the fact, and the fear of losing industry and population to them kept the levies low, or they were abandoned altogether.

However, the advent of the Sixteenth Amendment made escape from income expropriation impossible. With this power in its hands, there was no way of stopping the intervention of the Federal government in the economic life of the country. The Sixteenth Amendment was the "open sesame" for a socialistic regime.

To some extent, the political independence of federated states can be weakened by the concentration of economic power. Compliance with the wishes of the central government can be purchased by the judicious use of the funds at its disposal and the state governments can thus be reduced to the status of mendicants. That is what has happened here. It is not uncommon in this country for a candidate for state office to boast to the electorate of the advantages he has brought to his community by virtue of his "pull" in

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Washington. What he does not advertise is that he paid for this largesse with his vote for some measure or program that may be inimical to the interest of his state.

Then again, if a Governor or a Congressman should show some independence of spirit and resist the carrot of patronage, the Federal government has the stick with which to beat some sense into him; it can propagandize his constituents to his political disadvantage. The vast American bureaucracy, of which only the general staff is in Washington, is a nation-wide propaganda network employed in advertising the virtues of centralization, and has been used to discredit candidates who oppose its programs. All of this, of course, is made possible by income tax revenues.

Nevertheless, it is still possible for a Governor, a state legislature or a Congressman to oppose the Federal government, and sometimes this happens. The constitutional structure of the country prevents complete political centralization. This obstruction was recognized by the early New Dealers, who proposed to get around it by the division of the country into ten "administrative" units. Tradition was against the suggestion; the centralizers turned to bribery to achieve their purpose.

WHETHER BY INTENT, or the exigencies of the moment, the Founding Fathers introduced a new principle in political science when they formulated the plan of the Union. It was the principle of competition in government.

Theory has it that government is instituted by men for the purpose of maintaining social order. To carry out this purpose, it must have a monopoly of coercion; without this monopoly it cannot prevent men from exercising coercion upon one another. But, monopoly of any kind poses problems in equity, and a monopoly of political power is fraught with great danger. History shows that it has been used to strengthen the governing body, at the expense of the governed; also that it can be used to give advantages to some citizens, to the consequent disadvantage of others.

In our economic life, every monopoly is held in some restraint by the possibility of competition. If it becomes too rapacious, if it prices its commodity beyond the reach of the consumer, the latter can correct the evil by going without. Or, ingenuity produces lower-priced substitutes. Or, again, technology may break the back of the monopoly. Private monopoly, for all its evil possibilities, must produce and sell something desirable in order to enjoy its privilege.

No such influences can keep the government from getting out of line. Its premise is complete monopoly. So, the question with which organized society has always been confronted is: how can we prevent government from using its monopoly power for purposes quite the opposite of that for which it is established? The only answer yet hit upon by the mind of man is constitutionalism, with the limits of power clearly defined. But, constitutions have not yet devised a means of protecting themselves from subversion. There must be something more than a document to prevent government from abusing the power vested in it.

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The American Union provided some recourse from government monopoly by setting up competitive jurisdictions. After establishing clear limits on the power of the central government, the Constitution vested all unlisted powers in the states; but, by prescribing freedom of movement, of both persons and property, between the sovereign states, it kept these jurisdictions from overstepping bounds. Thus, a form of competition for the custom of citizens was established.

Mention has been made of the use of tax relief to lure population from one state to another; this is still in practice, though to a lesser degree, simply because the syphoning of the national wealth into Washington has depleted the source of state revenues. Production pays all taxes, and if the Federal government gets the lion's share of what can be collected from a given amount of production, the state governments cannot be generous with what is left.

Other forms of competition have appeared. Before the Federal government acquired its temporary monoploy of it, several states and subdivisions went in for Prohibition. These sumptuary laws had hard going, simply because one could repair to a neighboring state to get drunk, and the liquor could be imported; the "wet" states profited. When Prohibition was federalized, this competitive recourse disappeared, and the citizen could exercise his right to drink only by lawlessness.

Nevada, a state poor in natural resources, makes up for its lack by giving visitors an outlet for their gambling urge, at a price; and its divorce laws are designed to attract that tax-yielding business from states that make divorce more difficult. At one time or another, most states prohibited Sunday baseball, horse racing and prize fights; competition from other states, with consequent loss of revenue, overcame the moral arguments against these practices. Why did New England drop its debtor prisons? Why were the early property requirements for voting abolished? The answer is — interstate competition.

Long before the New Deal some of the states took a fling at socialism. In the 1920s Wisconsin became the laughing stock of its neighboring states because of its "social experiments" and in a few years dropped most of them. California and Florida sought to support their citrus fruit industries by establishing "quarantine" laws against each other. And, in 1932, Wisconsin tried to help its cheese industry by requiring restaurants to serve two ounces of this edible, provided it was made in Wisconsin, with every meal, whether the diner wanted it or not. Not much came of that. Socialism can operate only behind an iron curtain, and that the states cannot erect.

UNFORTUNATELY, THE DOCTRINE of states' rights has been so sullied with sectionalism and racism that its true meaning can only be ascertained by reference to the spirit of the times in which it originated.

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When the nation was founded, there was great fear of government. Americans, at that time, knew from sad experience that government could curtail their freedom, which they prized highly, but could not contribute to it. They would have laughed at an official who presumed to speak of "guaranteeing" their freedom; it is not within the competence of government to do so, for God took care of it in the first place.

Yet, there was need of a political setup that would maintain some order, as between the thirteen states, and would take charge in the event of invasion by a foreign nation, which was an ever-present threat. The various states were making their own moneys, setting up separate tariffs against foreign imports and restrictions on interstate trade.

The Founding Fathers, therefore, were under necessity of setting up a national establishment that would correct the weaknesses of the existing loose confederation without giving it any authority that might be used to impinge on personal liberty. The Constitution was so framed. The powers which were vested in the Federal government were limited, while all unspecified powers were vested in the local governments. Why? Simply because it was generally understood that a government of neighbors is more amenable to the wishes of the citizens and, being close to hand, could be held in leash.

The doctrine of states' rights, therefore, originated in a great jealousy for freedom and a great fear of government. There is no evidence that interstate competition, as a further safeguard of freedom, was thought of at the time; but, it was inherent in the structure of the Union and eventually showed up.

Now that the centralization of political power (resulting from the concentration of economic power) has reached a point where freedom is considered a boon granted by the government, not a right inherent in the individual, it might be well to consider the liberating potential of the states' rights doctrine. So long as the state boundary lines exist, no matter how attenuated, and the doctrine is still part of our tradition, though dormant, the final step in centralization — socialism — can be avoided. But, it will take some doing, particularly on the part of the state governments themselves, to keep the Union from dissolution.

In this connection it should be pointed out that the state governments could do nothing better to restore their integrity, and at the same time lift the Federal government from the backs of the people, than to start action leading to the repeal of the Sixteenth Amendment. Every state in the Union now pays into the Federal treasury more in income taxes than it gets back in the form of grants-in-aid. That is a losing proposition.

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HUMAN EVENTS

FRANK C. HANIGHEN, *Editor* FRANK CHODOROV, *Associate Editor*

Vol. X, No. 40 Wednesday, October 7, 1953 Washington, D. C.

Atom: Amid the babel of contending tongues — contending for the privilege of scaring the American people — two individual voices command respect. They do not belong to those of the group who yell for "candor" to frighten people. (Observers here believe this group, mainly Fair Dealers, want to scare people — not necessarily to get greater armament funds — but to put over a world government under cover of hysteria engendered by fear of atomic warfare.)

The two whose voices will be heeded hold key posts. They are Atomic Energy Commission Chairman Lewis Strauss and Senator Bourke Hickenlooper (Rep., Ia.), ranking Republican Senator on the Joint Congressional Atomic Energy Committee.

Strauss — an old and close friend of Hoover and Taft — came up the hard way in the atomic commission, fighting the policies of David Lilienthal, the publicity-seeking, controversial chairman appointed by Truman in 1946. Strauss was appointed chief of the Commission last Spring by Ike. He inherits the difficult situation created in considerable part by the poor security policy of the Truman regime.

He and Hickenlooper in 1949, it is now revealed, opposed the release of radioactive isotopes to Norway. The Fair Deal hegemony in the Commission overruled their protests and the material was delivered into the hands of a Norwegian technician later found to be working for the Soviets. U.S. military authorities believe the data was stolen, given to the USSR and that it helped development of Soviet military equipment.

In the past 48 hours Hickenlooper has stated that there may be more danger than benefit in any move to tell the American people more than they already know about atomic and hydrogen bomb development. "The American people have been given the fundamental facts of the tremendous power of atomic weapons", Hickenlooper said. "I don't know much more that could be said without going into technical data which would benefit our enemies. Certainly any action to reveal the extent of our stockpiling of bombs would be of great service to our enemies."

Inside State Department: Undersecretary Walter Bedell Smith is now at war with presidential psychological warfare adviser C. D. Jackson — according to good sources. The two previously had collaborated, particularly on the appeasement-of-Russia policy in the Korean situation last spring. Their difference now is not one of principle, but simply factional, we are told. Smith is said to have ambitions to become Secretary of State, counting on his old and close relationship in the Army with Eisenhower to get him the job.

● The State Department — it is well known — has sought to spread the myth that "McCarthyism" has proved a detriment to our prestige abroad. Since skeptics would not "buy" this, State started an opinion-sampling poll in Western European countries to prove their point. Much to the disgust of the bureaucrats, the survey soon showed that almost everyone queried in Western Europe confessed complete ignorance of who McCarthy was. And the operation was abandoned.

● Senator Knowland's denunciation of the proposed "non-aggression" pact with Russia (professedly to allay Russian fears of a Western attack) has effectively killed that measure — such is the inside reaction in the State Department. For Knowland is the Majority Leader of the Senate. "State" ought to know, it is remarked on Capitol Hill, because Acheson holdovers in the Department (who are legion still) have been quietly promoting the idea.

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On the Firing Line: Republicans fighting for the Bricker Amendment scored again last week at the Republican women's eastern conference in Atlantic City. (Two weeks ago, a big response to a call for signatures on a petition for the Bricker Amendment featured the GOP women's gathering in Chicago.) Approximately half of an estimated 600 delegates at the Atlantic City gathering signed a petition for the Ohio Senator's move to protect American sovereignty. The drive for signatures came from groups in Maryland and the District of Columbia, but it was noteworthy that a considerable number of the New York delegation signed the petition.

At Atlantic City and after, many tart comments have been directed at the "Ike Birthday" parties planned, usually by New Deal Republicans. The obvious motive is to create another "man-on-horseback" myth, similar to that provided for Franklin D. Roosevelt, whose birthday celebrations were a feature of the slick New Deal propaganda. The attitude of many GOP members is very chilly to such shenanigans. Signs are evident of a developing boycott of the "king's birthday" functions. Thousands may attend such parties, but it's a good guess that thousands of Republicans will shun them.

Farm Headaches: If the Administration gets out of the farm "mess" with most of the farm vote intact and some honor, it will prove to be something in the nature of a miracle. But, those around the harassed Secretary of Agriculture, Mr. Benson, have been considering a plan which might work a miracle. It is proposed by Mr. C. S. Woolman of Chicago, prominent in various national farm organizations, and Secretary-Treasurer of the Foundation for American Agriculture.

Woolman recognizes that support prices are very costly — with the Commodity Credit Corporation having the Department of Agriculture on its cuff for more than 3 and 3/4 billion dollars. This sum represents millions of bushels and billions of pounds of various commodities gradually deteriorating in storage space for which the CCC spends the prodigious sum of $400,000 a day in rent. As things go now, another year of sinking commodity prices, more bumper crops and continuing high subsidized price supports may well see CCC's total loaning capacity (which is $6,750,000,000) exhausted.

Benson is on the hook. To keep the "farm vote", he has to maintain the expensive price supports. But the supports give the economy a headache because they involve strict controls in the form of marketing quotas and acreage allotments. Benson always abominated the latter in speeches and utterances. But now he has to put them into effect.

Woolman claims his scheme will take Benson off that hook. He proposes that farmers go ahead and grow as much of any storable crop (such as wheat, corn, cotton) as they see fit and sell it whenever and wherever they want. So far, this would correspond to the free enterprise, free market system. However, to keep the farmer politically happy, the plan would assign — for the purpose of subsidization — to each farmer a quota and on his quota the Government would pay the farmer an amount necessary to reimburse him for the difference between the price he receives in the market and the famous "90% of parity" figure.

What's the difference between the Woolman plan (which provides price supports) and the New-Fair Deal dispensation? Woolman says its a matter of paying once instead of twice as we have been doing under that dispensation, explaining thus. He doesn't like the principle of subsidies, but since they are apparently going to be with us for some time to come, it would be a lot cheaper for the taxpayer to cough up once rather than twice as he does currently. At present he pays for the CCC and its billions of dollars of wasted loans, the $400,000 per day of storage rents, etc.; and then he pays again in the artificially inflated prices of the disturbed market place. Under the Woolman scheme, the taxpayer would have to ante up for the payment of subsidies. But since his scheme would involve dismantling the costly operation of the CCC, the commodity business with its grim problems of storage, spoilage, huge operating personnel and disruption of normal market prices — he would be freed of the artificially high prices resulting from such operations.

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"Liberals": Mr. Benjamin Mandel, research director of the Jenner Internal Security Subcommittee, in an article in the Washington *Evening Star* (October 1) describes how "liberals", professing to be outraged by alleged smears by Congressional committees actually smear the committees. Mr. Mandel explains how carefully his committee tries to protect innocent individuals by holding secret, preliminary hearings to find out if the person concerned really has any incriminating affiliations with subversives — before giving any publicity to the matter.

"It was with some astonishment therefore", says Mandel, "that the subcommittee recently encountered two professors of a leading 'liberal' Midwestern university — both eminent scholars in their own special fields — who were questioned in the light of their frequent support of Communist front organizations, which was a matter of public record. Satisfied with their denials of actual affiliation with the Communist Party, the Senate subcommittee decided for their protection to hold no public session. But these professors insisted upon martyrdom. They insisted upon a public session, which was denied them in accordance with committee practice. They thereupon issued a press release to show that they had indeed been thrown to the lions."

Mandel goes on to describe the extraordinary acrobatics of the "liberals". He says: "Since the Communist movement operates largely as an underground conspiracy and since evidence against it is concealed and often difficult to obtain, ridicule and skepticism have been successfully utilized by certain 'liberals' to discredit the testimony of witnesses later upheld by the courts. In this connection, it will be remembered that a considerable section of a humorous weekly magazine was devoted to an article by a feature writer defending William W. Remington. At the time when Whittaker Chambers produced the now-famous pumpkin papers against Alger Hiss, a famous prize-winning liberal cartoonist hilariously depicted a huge pumpkin-shaped chariot drawn by a team of rats."

Creel: The obits of George Creel (who passed away last week at the age of 77) relate all the phases of his distinguished career — save the last and best. A Jeffersonian Democrat and a critic of the Roosevelt-Truman foreign policy, Creel in 1949 published a book *Russia's Race for Asia* (Bobbs Merrill) which was an exposé of the realities of our Asian policy and a slashing assault on the Acheson-Marshall course in China. If his warnings had been heeded, disaster might have been prevented.

In domestic policy, Creel took up the cudgels in 1950 for Nixon and his help was material in bringing about Nixon's victory over Helen Gahagan Douglas. Within the past year, Creel had been working to create an organization of Jeffersonian Democrats in the North to push towards an ultimate goal of realignment of parties.

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FRANK C. HANIGHEN
EDITOR

Sworn to and subscribed before me this Twenty-fifth day of September, 1953.
Netha L. Healy
Notary Public, District of Columbia. Term expires May 31, 1958.

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Formosa Beachhead, by Geraldine Fitch. Henry Regnery Company: Chicago. $3.50. Reviewed by Richard L. Stokes.

It chanced that I read Mrs. Fitch's book on the morning after Dean Gooderham Acheson was decorated with a bronze plaque, as an award for distinguished service by the Woodrow Wilson Foundation — Wilson, who repulsed with indignation the offer of Acheson's pal, Felix Frankfurter, to become his political adviser!

Formosa Beachhead proved a timely and potent countercharm against the glossy sinuosities of rhetoric with which Harry Truman's Secretary of State tried to lull the public into forgetting that his "errors of judgment" in China had been more disastrous to this country than the attempted betrayals of ten thousand Benedict Arnolds.

I had just been subjected, by radio, to the slinky grace of Acheson sophistry in his speech of acceptance. There could have been no more impressive contrast than Mrs. Fitch's honest recapitulation of the astounding incident in which the White House and State Department put themselves at Joseph Stalin's disposal for pulling down Generalissimo Chiang Kai-shek, our only staunch ally and champion of the American cause in the Orient.

The story has been told again and again, and cannot be told too often. It is such an unbelievable record of folly and treachery, and involves so many distinguished names, that the American people have been reluctant to credit it, though few historical episodes have been so exhaustively documented. Mrs. Fitch has given yeoman help to a consummation devoutly desired.

Being no weekend expert on Sino-American affairs, she wears her rue with a difference. In company with her distinguished husband, Dr. George Fitch, she has spent half her life, or upward of 30 years, in China. She speaks its language fluently. Her home was the first in which Chiang Kai-shek and his bride, the former Soong Mei-ling, were entertained after their marriage. She knew personally most of the heroes and villains of the drama, and enlivens her narrative with innumerable fresh details.

Mrs. Fitch is particularly fine in her account of the Generalissimo's tragic loyalty to the United States despite a smear campaign of unscrupulous virulence waged against him and members of his family in Washington and New York. She describes at first hand the great public works of his government not only in Formosa but on the Chinese mainland, in conjunction with UNRRA.

Because of her own observation and sources of information, the author's notion of the function of the Nationalist army on Formosa is worthy of respect. She has no delusion that this force can invade and conquer greater China, but argues — hence the title — that Formosa can serve as a beachhead for a series of landings on the coast. They would supply arms, munitions and supplies for the millions of Chinese who, she is confident, are waiting only for a chance to rise against ferocious, savage Communist masters.

Adlai E. Stevenson, titular head of the Democratic Party, declared that Acheson's "record of successful frustration of the Communist design has won him a place in history as one of its most implacable enemies". Was he speaking of Dean Acheson or someone else? Mrs. Fitch causes the reader to wonder. She makes it clear that if any Democrat is worthy of such eulogies it is Senator Patrick A. McCarran of Nevada, whose monumental labors established that the only "Chinese Lobby" ever in existence was the Red one masterminded by the White House, the State Department and its foreign officers in China, the Institute of Pacific Relations and their vast network of stooge newspapers, magazines, columnists and commentators.

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